

Chapter 28.88

CONVERSION OF DWELLING UNITS TO CONDOMINIUMS, HOTELS OR SIMILAR USES

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28.88.010 Purpose.

A. To establish criteria for the conversion of existing multiple family rental housing to condominiums, community apartments, cooperative apartments, hotels or similar uses.

B. To reduce the impact of such conversions on residents in rental housing who may be required to relocate due to the conversion of apartments to condominiums, community apartments, and stock cooperatives, hotels or similar uses by providing procedures for notification and adequate time and assistance for such relocation.

C. To insure that the purchasers of converted housing have been properly informed as to the physical condition of the structure which is offered for purchase.

D. To insure that converted housing achieves high quality appearance and safety, and is consistent with the goals of the City's General Plan and conforms or is legally nonconforming with the density requirements of the General Plan's Land Use Element.

E. To attempt to balance the opportunity for housing ownership of all types, for all levels of income and in a variety of locations with the need to maintain a supply of rental housing which is adequate to meet the housing needs of the community.

F. To attempt to maintain a supply of rental housing for low and moderate income persons and families. (Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4014 §1, 1979; Ord. 4000 §2, 1979.)

28.88.020 Community Apartments and Stock Cooperatives.

Conversion to community apartments and stock cooperatives shall be subject to the same restrictions, conditions, and requirements as condominiums. All references to a "condominium" in this Chapter shall be deemed to include community apartment, and stock cooperative, except where specifically noted. (Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4000 §2, 1979.)

28.88.025 Date of Conversion.

As used in this Chapter, the "date of conversion" for condominium conversions shall mean the date the final or parcel map for the project is filed with the County Recorder following its approval by the Staff Hearing Officer or Planning Commission or, if an appeal is filed, by the City Council. For hotels or similar uses, the "date of conversion" is the date of issuance of the conversion permit by the Chief Building Official after the Staff Hearing Officer or Planning Commission, or the City Council on appeal, approves the conversion. (Ord. 5380, 2005; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4048, 1980; Ord. 4000 §2, 1979.)

28.88.028 Permit Required; Exceptions.

A. **PERMIT REQUIRED.** No person, firm, corporation, partnership or other entity shall convert existing dwelling units to a condominium, hotel or similar use without first having said conversion approved by the Planning Commission or the City Council on appeal, and having been issued a conversion permit by the Chief Building Official. For conversions of dwelling units to condominium units, the body that shall serve as the Advisory Agency for the required subdivision, as specified in Section 27.03.010 of this Code, shall review the application for the conversion pursuant to this Chapter 28.88.

B. EXCEPTIONS TO REQUIREMENTS FOR CONVERSION PERMITS.

The following shall be exempt from the provisions of this Chapter:

1. A project creating a condominium, hotel or similar use and using no more than one (1) existing dwelling unit as part of said project shall not be considered a conversion. To qualify for this exception, the number of dwelling units on the project site shall not have been previously reduced by use of this exception clause. For the purposes of this exclusion, the number of existing dwelling unit(s) shall be determined on the date of application for the permit. If the project calls for destruction of the structure housing the dwelling unit(s), those units shall not be counted as existing unit(s).

2. A stock cooperative or community apartment which has received final approval from the California Department of Real Estate or has otherwise been legally created prior to the adoption date of the ordinance establishing this Chapter.

No exception under this Subsection shall affect the applicability of the Zoning Ordinance, the California Building Code as adopted and amended by the City, or other applicable ordinances or regulations. (Ord. 5451, Section 5, 2008; Ord. 5380, 2005; Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4000 §2, 1979.)

28.88.029 Issuance of Permits.

The Chief of Building and Zoning shall issue a conversion permit when he determines that:

A. The applicant has complied with all the applicable City or State regulations in effect at the time the conversion application was deemed to be complete, and

B. The applicant has complied with the conditions of approval.

Once issued, the conversion permit can be revoked only because of the failure of the applicant or his successors in interest to comply with the conditions of approval.

An approval shall expire if the tentative subdivision map expires. For hotels or similar uses, an approval shall expire in the same period of time as projects requiring a tentative map unless a conversion permit has been issued by the Chief of Building and Zoning. (Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4048, 1980; Ord. 4000 §2, 1979.)

28.88.030 Requirements and Procedures.

No existing building containing a dwelling unit shall be approved for conversion to a condominium or hotel unless it meets the standards set forth in the following requirements:

A. All residential buildings shall, on the date of conversion, be in compliance with the minimum standards of the Uniform Housing Code as adopted by the City of Santa Barbara and those of the State of California.

B. All buildings shall, on the date of conversion, be in compliance with the exit and occupancy requirements and the height and area requirements for the type of construction and occupancy involved as outlined in the California Building Code as adopted and amended by the City.

C. All buildings sought to be converted are, on the date of conversion, in all respects in compliance with the Zoning Ordinance and the goals and policies of the General Plan, or legally nonconforming therewith. Notwithstanding the provisions of Santa Barbara Municipal Code Section 28.87.030, any legally nonconforming building or buildings for which a condominium conversion application is approved may be remodeled or otherwise physically changed provided the changes do not increase or intensify the element of the building that is nonconforming.

D. All condominium projects differentiated from hotels or similar uses, shall be subject to all applicable provisions of the Subdivision Map Act and Title 27 of this Code.

E. Once a building permit has been issued, a building may not be converted unless the certificate of occupancy for the building was issued more than five (5) years prior to the date the owner files with the City an application for the approval of a tentative condominium map or conversion to a hotel or similar use, unless the building satisfies the City's requirements for new condominium construction. (Ord. 5451, Section 5, 2008; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4000 §2, 1979.)

28.88.040 Physical Standards for Condominium Conversions.

To achieve the purpose of this article, the Staff Hearing Officer or Planning Commission, prior to the date of conversion, shall require that all condominium conversions conform to the Santa Barbara Municipal Code in effect at the time of approval except as otherwise provided in this Chapter. The Staff Hearing Officer or Planning Commission, prior to the date of conversion, shall require conformance with the standards of this section in approving an application for conversion.

A. **UNIT SIZE.** The enclosed living or habitable area of each unit shall be not less than 600 square feet.

B. **FIRE PREVENTION.**

1. **Smoke Detectors.** Each living unit shall be provided with approved detectors of products of combustion other than heat conforming to standards of the California Building Code as adopted and amended by the City, mounted on the ceiling or wall at a point centrally located in the corridor or area giving access to rooms used for sleeping purposes.

2. **Maintenance of Fire Protection Systems.** All on-site fire hydrants, fire alarm systems, portable fire extinguishers, and other fire protective appliances shall be retained in an operable condition at all times, maintained by the Homeowner's Association and delineated in the Covenants, Conditions and Restrictions.

C. SOUND TRANSMISSION.

Wall and floor-ceiling assemblies shall conform to Title 25, California Code of Regulations, Section 1092, or its successor, or permanent mechanical equipment, including domestic appliances, which is determined by the Chief Building Official to be a potential source of vibration or noise, shall be shock mounted, isolated from the floor and ceiling, or otherwise installed in a manner approved by the Chief Building Official to lessen the transmission of vibration and noise. Floor covering may only be replaced by another floor covering that provides the same or greater insulation. The requirements of this paragraph shall not apply to a unit in a building with no other unit(s).

D. UTILITY METERING.

1. The consumption of gas and electricity within each unit shall be separately metered so that the unit owner can be separately billed for each utility. Each unit shall have its own electrical panel, or access thereto, for all electrical circuits which serve the unit. A gas shut-off valve shall be provided for each unit and for each gas appliance.

2. Each dwelling unit shall be served by a separate City water meter. An additional separate City meter shall be provided to serve the landscaped areas in projects that include five or more dwelling units.

3. All plumbing fixtures shall conform to the standards for water saving devices as contained in the Uniform Plumbing Code as adopted and amended by the City of Santa Barbara in Chapter 22.04 of this Code.

4. An exception to any requirement of this subsection may be granted by the Staff Hearing Officer or Planning Commission if the following requirements are met:

a. A licensed engineer has determined that compliance with the requirement cannot practically be accomplished and the applicant has included alternative measures to accomplish conservation equivalent to that which would be expected through compliance with the requirement;

b. The Public Works Director has reviewed the proposed exception and the proposed alternative measures and has concurred that equivalent conservation is likely to be accomplished as a result thereof. Measures proposed as alternatives to the water conservation requirements of this subsection may include, but are not limited to, installation of privately owned sub-meters on each dwelling unit, conversion of existing landscaped areas to conform with current standards for water conserving landscaping, and installation of additional separate City meters to serve groups of dwelling units.

E. PRIVATE STORAGE SPACE. Each unit shall have at least 200 cubic feet of enclosed weatherproofed and lockable private storage space, in addition to guest, linen, pantry, and clothes closets customarily provided. Such space shall be for the sole use of the unit owner. Such space shall be accessible from the garage or parking area for the units it serves.

F. LAUNDRY FACILITIES. A laundry area shall be provided in each unit; or if common laundry areas are provided, such facilities shall consist of not less than one automatic washer and dryer for each five units or fraction thereof.

G. CONDITION OF EQUIPMENT AND APPLIANCES. The applicant shall provide written certification to the buyer of each unit on the initial sale after conversion that any dishwashers, garbage disposals, stoves, refrigerators, hot water tanks, and air-conditioners that are provided are in working condition as of the close of escrow. At such time as the Homeowner's Association takes over management of the development, the applicant shall provide written certification to the Association that any pool and pool equipment and any appliances and mechanical equipment to be owned in common by the Association is in working condition.

H. PUBLIC EASEMENTS. The applicant shall make provisions for the dedication of land or easements for street widening, public access or other public purpose in connection with the project where necessary and in accordance with established planned improvements.

I. REFURBISHING AND RESTORATION. All main buildings, structures, fences, patio enclosures, carports, accessory buildings, sidewalks, driveways, landscaped areas, irrigation systems, and additional elements as required by the Staff Hearing Officer or Planning Commission shall be refurbished and restored as necessary to achieve high quality appearance and safety.

J. PARKING STANDARDS. The off-street parking requirements for a conversion project shall be one and one-half (1½) parking spaces per unit for one bedroom or efficiency units and two (2) parking spaces per unit for units containing two or more bedrooms.

K. PHYSICAL ELEMENTS. Any physical element identified in the Physical Elements Report as having a useful life of less than two (2) years shall be replaced.

L. OUTDOOR LIVING SPACE. Outdoor living space for a conversion project shall be provided as required in MC §28.21.081.

M. HANDICAPPED ACCESSIBILITY AND ADAPTABILITY. All conversions involving five or more units shall meet the accessibility and adaptability requirements of the State Housing and Community Development Commission.

N. EXCEPTIONS. The Staff Hearing Officer or Planning Commission may grant an exception to the physical standards set forth in Subsections A, E, F, J, L, and M of this Section if it makes any of the following findings:

1. The economic impact of meeting the standard is not justified by the benefits of doing so.
2. The project includes design features or amenities which offset the project's failure to meet the standard.
3. The project includes provisions for low-, or moderate-income sales restrictions on the converted units beyond what is otherwise required in this Chapter that offset the project's failure to meet the standard.
4. The project's proximity to public open space could partially offset the project's lack of on-site open space. (Ord. 5451, Section 5, 2008; Ord. 5380, 2005; Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4000 §2, 1979.)

28.88.045 Conversions of Dwelling Units to Hotels or Similar Uses.

Conversion of existing dwelling units to hotels or similar uses in the R-4 Zone and zones in which R-4 uses are allowed shall be subject to all applicable Sections of this Chapter and of Chapter 28.21 of this Code. In addition, the following standards shall apply:

A. **LIGHTING.** All outdoor lighting shall be hooded or shielded so that no direct beams fall on adjacent property. When outdoor lighting is provided, indirect soft lighting and low garden lighting shall be used whenever possible, and shall be required as necessary to assure compatibility with adjacent and surrounding properties.

B. **PARKING.** Off-street parking shall be provided as required in Chapter 28.90 or Subsection 28.88.045.C.5 of this Chapter if applicable, subject to Subsection 28.88.120.I.4 of this Chapter.

C. **TIME SHARE PROJECTS.** If a proposed time share project retains kitchens in the individual units, they shall be subject to all physical standards under Section 28.88.040 of this Code. The conversion of a dwelling unit to a time share project, wherein the converted unit consists of a suite of no more than two (2) rooms and provides no individual kitchens or cooking facilities is exempt from the following Subsections of Section 28.88.040:

1. 28.88.040A. Unit Size;
2. 28.88.040D.1. Utility metering, if a water shut-off valve is provided for each unit or for each plumbing fixture in that unit;
3. 28.88.040E. Private Storage Space;
4. 28.88.040F. Laundry Facilities; and
5. 28.88.040J. Parking Standards, provided that there shall be provided one-and-one quarter (1¼) spaces for each unit. This requirement may be modified if the applicant can demonstrate that additional parking is not needed.

D. **USE OF AMENITIES - TIME SHARE PROJECTS.**

A provision shall be included in the "Declaration of Time Share Plan" or similar instrument restricting the use of the project or its amenities by individual owners/users of a unit to the period of the time share interval(s) or right-to-use. (Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4199, 1983)

28.88.050 Application Requirements for Condominium and Time Share Conversions.

In addition to such other application requirements as the Staff Hearing Officer or Planning Commission may deem necessary and those requirements as set forth in Section 28.88.030 above, no application for a conversion to condominiums or time share projects shall be accepted for any purpose unless the application includes the following:

- A. A development plan of the project including:
1. The location, height, gross floor area, and proposed uses for each existing structure to remain and for each proposed new structure;
 2. The location, use, and type of surfacing for all open storage areas;
 3. The location and type of surfacing for all driveways, pedestrian ways, vehicle parking areas, and curb cuts;
 4. The location, height, and type of materials for walls or fences;
 5. The location of all landscaped areas, the type of landscaping, and a statement specifying the method by which the landscaped areas shall be maintained;
 6. The location and description of all recreational facilities and a statement specifying the method of the maintenance thereof;
 7. The location and size of the parking facilities to be used in conjunction with each unit;
 8. The location, type and size of all drainage pipes and structures depicted or described to the nearest public drain or watercourse;
 9. The location and type of the nearest fire hydrants;
 10. The location, type and size of all on-site and adjacent street overhead utility lines;
 11. A lighting plan of the project;
 12. Existing and proposed exterior elevations;
 13. The location of any provisions for any unique natural or vegetative features.
- B. A physical elements report which shall include but not be limited to:
1. A report detailing the condition and estimating the remaining useful life of each element of the project proposed for conversion: roofs, foundations, exterior paint, paved surfaces, mechanical systems, electrical systems, plumbing systems, including sewage systems, swimming pools, sprinkler systems for landscaping, utility delivery systems, central or community heating and air-conditioning systems, fire protection systems including automatic sprinkler systems, alarm systems, or standpipe systems, and structural elements. Such report shall be prepared by an appropriately licensed contractor or architect or by a registered civil or structural engineer other than the owner. For any element whose useful life is less than five (5) years, a replacement cost estimate shall be provided.
 2. A structural pest control report. Such report shall be prepared by a licensed structural pest control operator pursuant to Section 8516 of the Business and Professions Code.
 3. A building history report including the following:
 - a. The date of construction of all elements of the project;
 - b. A statement of the major uses of said project since construction;

- c. The date and description of each major repair or renovation of any structure or structural element since the date of construction. For the purposes of this subsection a "major repair" shall mean any repair for which an expenditure of more than \$1,000 was made;
- d. Statement regarding current ownership of all improvements and underlying land;
- e. Failure to provide information required by subsections a. through d., inclusive, shall be accompanied by an affidavit, given under penalty of perjury, setting forth reasonable efforts undertaken to discover such information and reasons why such information cannot be obtained. (Ord. 5380, 2005; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4000 §2, 1979.)

28.88.055 Application Requirements for Conversions to Hotels or Similar Uses.

In addition to such other application requirements as the Planning Commission may deem necessary and those requirements as set forth in Section 28.88.030 of this Code, no application for conversion of a building containing a dwelling unit to a hotel or similar use shall be accepted for any purpose unless the application includes a development plan of the project containing:

- A. The location, height, gross floor area, and proposed uses for each existing structure to remain and for each proposed new structure;
- B. The location and type of surfacing for all driveways, pedestrian ways, vehicle parking areas, and curb cuts;
- C. The location, use, and type of surfacing for all open storage areas;
- D. The location, height, and type of materials for walls or fences;
- E. The location of all landscaped areas, the type of landscaping, and any proposed changes thereto;
- F. The location and description of all recreational and other hotel-related facilities, and any proposed changes thereto;
- G. The location and size of the parking facilities to be used in conjunction with each guest room and other related uses on-site;
- H. A drainage plan for the site;
- I. A lighting plan of the project;
- J. Existing and proposed exterior elevations; and
- K. The location of and provisions for any unique natural or vegetative site features. (Ord. 4606, 1989; Ord. 4199, 1983.)

28.88.060 Additional Submittals for Conversions to Condominiums or Hotel Units.

A. A statement of any unique provisions of the proposed Covenants, Conditions and Restrictions which would be applied on behalf of any and all owners of condominium units within the project. With regard to stock cooperatives, this submission shall consist of a summary of proposed management, occupancy and maintenance policies on forms approved by the City Attorney.

B. Specific information concerning the characteristics of any conversion project, including but not limited to the following:

- 1. Square footage and number of rooms in each existing and proposed unit or guest room;
- 2. Rental rate history for each type of unit for previous five (5) years;
- 3. Monthly vacancy rate for each month during preceding two (2) years;
- 4. Makeup of existing tenant households, including family size, length of residence, age of tenants, and whether receiving federal or state rent subsidies;
- 5. Names and addresses of all tenants; and
- 6. Applications for conversion to time share projects shall include the length of every time share interval and maintenance period.

When the developer can demonstrate that such information is not available, this requirement may be modified by the Community Development Department.

C. The developer shall submit evidence that notification of intent to convert was sent to each tenant in accordance with Section 28.88.100.

D. Any other information which, in the opinion of the Community Development Department, will assist in determining whether the proposed project will be consistent with the purposes of this article. (Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4000 §2, 1979.)

28.88.070 Acceptance of Reports.

The final form of the Physical Elements Report and other documents shall be as approved by the Chief Building Official. The reports in their acceptable form shall remain on file with the Community Development Department for review by any interested persons. The report shall be referenced in the subdivision report to the Staff Hearing Officer or Planning Commission. (Ord. 5380, 2005; Ord. 4606, 1989; Ord. 4000 §2, 1979.)

28.88.080 Copy to Buyers.

The seller shall provide each purchaser of a condominium or time share unit with a copy of all reports (in their final, acceptable form), along with the Department of Real Estate Final Subdivision Public Report, when required, except the information required by Subsections B. and C. of Section 28.88.060, prior to the purchaser completing an escrow agreement or other contract to purchase a unit in the project, and the developer shall give the purchaser sufficient time to review the reports. Copies of the reports shall be made available at all times at the sales office and shall be posted at various locations, as approved by the City, at the project site. (Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4000, 1979.)

28.88.090 Hearing.

A. **TENANT NOTICE.** Prior to action on the application, the Staff Hearing Officer or Planning Commission shall hold a hearing. Notice of the hearing shall be mailed at least ten (10) days prior to the hearing date to tenants of the proposed conversion and posted on the property. The public hearing notice shall include, in addition to the notice of the time and place of the public hearing, notification of the tenant's rights to appear and be heard.

B. **STAFF REPORT.** Any report or recommendation from the staff on a proposed tentative map for a residential condominium conversion submitted to the Staff Hearing Officer or Planning Commission or City Council on appeal shall be in writing and a copy shall be sent to the subdivider at least six (6) calendar days prior to any hearing or action on the map by the Staff Hearing Officer or Planning Commission and City Council. The subdivider shall be responsible for providing a copy of any such report to each tenant of the subject property at least three (3) days prior to any hearing or action on such map by the Staff Hearing Officer, Planning Commission or City Council. (Ord. 5380, 2005; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4000, 1979.)

28.88.100 Tenant Protection Provisions.

A. **NOTICE OF INTENT.** A notice of intent to convert shall be provided to each tenant a minimum of sixty (60) days prior to the filing of the application for Tentative Map approval. Notice shall be provided either by (i) personal delivery, or (ii) mailing the notice, postage prepaid, by certified letter with return receipt requested. Evidence of compliance with this Section shall be submitted with the application for conversion. The form of the notice shall be as approved by the Community Development Department and shall contain at a minimum the following:

1. Name and address of current owner;
2. Name and address of the proposed subdivider;
3. Approximate date on which the tentative map/conversion permit application is proposed to be filed;
4. Tenant's right to purchase condominium, if applicable;
5. Tenant's right of notification to vacate;
6. Tenant's right of termination of lease;
7. Statement of limitations on rent increase;
8. An explanation of all provisions made by the subdivider for special cases;
9. An explanation of all provisions made by the subdivider for moving expenses of displaced tenants;
10. Tenant's right to receipt of notice for each hearing and right to appear and be heard at any such hearing;

and

11. Other information as may be deemed necessary by the Community Development Department.

B. TENANT'S RIGHT TO PURCHASE.

1. As provided in Government Code Section 66427.1 (d) any present tenant or tenants of any unit shall be given an exclusive right to contract for the purchase of the unit occupied or equivalent unit at a price no greater than the price offered to the general public or terms more favorable to the tenant, whichever is less. The exclusive right to contract shall extend for at least ninety (90) days from the date of issuance of the Subdivision Public Report or commencement of sales, whichever date is later, unless the tenant gives prior written notice of his or her intention not to exercise the right.

2. In addition, the present tenant or tenants shall have the right of first refusal to purchase the unit occupied or equivalent unit at the same price as that offered by a buyer and accepted by the applicant, whenever such accepted price is lower than the price required to be offered to the tenant under Paragraph B.1 of this Subsection. The tenant must exercise the tenant's right of first refusal within forty-five (45) days of receipt of notice from the applicant.

3. If the tenant exercises his right to purchase under this Subsection, then the applicant is not required to provide moving expenses as outlined in Subsection G of this Section, except to the extent required by State law.

4. The manner in which any exclusive right to contract or right of first refusal shall be exercised shall be in accordance with regulations established by resolution of the City Council. This Subsection does not apply to conversions to hotels or similar uses.

C. **VACATION OF UNITS.** Each non-purchasing tenant, not in default under the obligations of the rental agreement or lease under which the unit is occupied, shall have not less than one hundred eighty (180) days from the date of approval of the conversion by the Staff Hearing Officer or Planning Commission or, if an appeal is filed, by the City Council, to find substitute housing and to relocate. Applicant shall give written notice of the approval containing an explanation of any and all conditions of approval which affect the tenants to each tenant within fifteen (15) days of the approval. Such notice shall be prepared in accordance with procedures established by resolution of the City Council setting forth the manner and contents of such notice.

D. **TENANT'S RIGHT OF TERMINATION OF LEASE.** Any present tenant or tenants of any unit shall be given the right to terminate their lease or rental agreement without penalty, following the receipt of the notification from the owner of the intent to convert.

E. **SPECIAL CASES.** For purposes of this Section, a "special case" tenant is one who is over age 62, handicapped, low income, a single parent with custody of minor children, or otherwise likely to experience difficulty finding suitable replacement housing. The subdivider shall afford special consideration to each "special case" tenant which special consideration, at a minimum, shall include the following:

1. Each "special case" tenant shall be allowed an additional period of time, not exceeding six (6) months beyond the period specified in Subsection C of this Section, in which to relocate.

2. A tenant with school age children shall not be required to vacate the unit prior to the end of the school year in which the one hundred eighty (180) day period specified in Subsection C begins to run.

F. **INCREASE IN RENTS.** From the date of approval of the application to convert until the date of conversion, no tenant's rent shall be increased more frequently than once annually nor at a rate greater than the rate of increase in the Consumer Price Index (all items, Los Angeles - Long Beach), on an annualized basis, for the same period. This limitation shall not apply if rent increases are provided for in leases or contracts in existence prior to the filing date of the application to convert.

G. **MOVING EXPENSES.** The subdivider shall provide moving expenses of one and one-half (1½) times the monthly rent or \$2000, whichever is greater, to any tenant who relocates from the building to be converted after approval of the condominium conversion by the City, except when the tenant has given notice of intent to move prior to receipt of notification from the subdivider of the intent to convert.

H. **NOTICE TO NEW TENANTS.** After the issuance of the Notification of Intent to Convert, any prospective tenants shall be notified in writing of the intent to convert prior to leasing or renting any unit and shall not be subject to the provisions of subsections B.2, F and G. The form of the notice shall be as approved by the Community Development Department, subject to Government Code Section 66452.8(b) and 66452.8(c). Failure by a subdivider to give such notice shall not be grounds to deny the proposed conversion. Further, the subdivider shall pay to each prospective tenant who becomes a tenant and who was entitled to such notice, and who did not receive such notice, an amount equal to the sum of: (1) actual moving expenses incurred when moving from the subject property, but not to exceed \$1000, and (2) the first month's rent on the tenant's new rental unit, if any, immediately after moving from the subject property, but not to exceed \$1000.

I. **NOTICE OF FINAL MAP.** Each of the tenants of the proposed condominium conversion shall be given written notification within ten (10) days of approval of a final map for the proposed conversion and proof of such notification shall be submitted to the Public Works Department.

J. **NOTICE OF DEPARTMENT OF REAL ESTATE REPORT.** Each of the tenants of the proposed condominium conversion shall be given written notification that an application for a public report will be, or has been submitted to the Department of Real Estate, and that such report will be available upon request. (Ord. 5380, 2005; Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4086, 1980; Ord. 4000 §2, 1979.)

28.88.110 Effect of Proposed Conversion on the City's Low- and Moderate-Income Housing Supply.

A. If any of the units in the project have been "affordable rental units" for at least twenty-four of the previous forty-eight months preceding the conversion application, the application for condominium conversion may be approved only if a condition is imposed requiring that the same number and type of units in the project after conversion will be subject to a recorded affordability covenant placing maximum sales price limits on each such unit in accordance with the City's affordability criteria. For purposes of this Chapter, "affordable rental unit" shall be defined by resolution of the City Council. All units subject to this affordability restriction shall be owner-occupied, except as otherwise set forth by Council resolution. Any such units that are retained by the original owner and not sold shall be subject to affordable rental restrictions as defined by resolution of the City Council.

B. If the Staff Hearing Officer or Planning Commission determines that vacancies in the project have been increased for the purpose of preparing the project for conversion, the conversion shall be disapproved. In evaluation of the current vacancy level under this subsection, the increase in rental rates for each unit over the preceding five (5) years and the average monthly vacancy rate for the project over the preceding two (2) years shall be considered. (Ord. 5380, 2005; Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4000 §2, 1979.)

28.88.120 Findings.

The Staff Hearing Officer or Planning Commission shall not approve an application for condominium conversion unless the Staff Hearing Officer or Planning Commission finds that:

A. All provisions of this Chapter are met and the project will not be detrimental to the health, safety, and general welfare of the community.

- B. The proposed conversion is consistent with the General Plan of the City of Santa Barbara or legally nonconforming with the density requirement of its Land Use Element.
- C. The proposed conversion will conform to the Santa Barbara Municipal Code in effect at the time the application was deemed to be complete, except as otherwise provided in this Chapter.
- D. The overall design (including project amenities) and physical condition of the conversion will result in a project which is aesthetically attractive, safe and of quality construction.
- E. If required by Subsection 28.88.110 A above, the proposed conversion has mitigated impacts to the City's low and moderate income housing supply through an agreement to record affordability control covenants on the specified number of units.
- F. The applicant has not engaged in coercive retaliatory action regarding the tenants after the submittal of the first application for City review through the date of approval. In making this finding, consideration shall be given to:
1. Rent increases at a rate greater than the rate of increase in the Consumer Price Index (all items, Los Angeles - Long Beach) unless provided for in leases or contracts in existence prior to the submittal of the first application for City review, or
 2. Any other action by applicant which is taken against tenants to coerce them to refrain from opposing the project. An agreement with tenants which provides for benefits to the tenants after the approval shall not be considered a coercive or retaliatory action.
- G. The owner has made a reasonable effort to assist those tenants wishing to purchase their units for purposes of minimizing the direct effect on the rental housing market created by relocating such tenants.
- H. The requirements of Section 28.88.130 have been met.
- I. The following additional findings shall be made by the Staff Hearing Officer or Planning Commission in order to approve conversions to hotels or similar uses:
1. The use will not be materially detrimental to the public peace, health, safety, comfort and general welfare and will not materially decrease property values in the neighborhood involved;
 2. The total area of the site and the setbacks and location of all facilities in relation to property and street lines are adequate in view of the characteristics of the site.
 3. The conversion will not have a significant adverse impact on the surrounding properties.
 4. Adequate access and off-street parking, including parking for guests and employees, are provided so that there is no adverse impact on the character of the public streets in the neighborhood. (Ord. 5380, 2005; Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4014, 1979; Ord. 4000, 1979.)

28.88.130 Maximum Number of Conversions.

A. MAXIMUM NUMBER OF CONVERSIONS.

1. Annual Quota. The maximum number of conversions to condominiums to be approved during any calendar year shall not exceed the greater of:
 - a. fifty (50) units; or
 - b. the number of unassisted new dwelling units in two family and multiple family rental projects issued certificates of occupancy during the previous calendar year minus the number of dwelling units in two family and multiple family rental units to be demolished pursuant to permits issued in that same year.
2. In the event that the annual conversion quota determined pursuant to paragraph 1 of this Subsection A exceeds the aggregate number of units approved for conversion to condominiums during any year any excess shall be available in the following twelve (12) month period for conversions to hotels or similar uses only, after which time any remaining excess shall not be included in the annual conversion quota permitted for any following year.
3. A condominium project consisting of more dwelling units than the maximum number which can be approved in the applicable calendar year, may be approved for a phased conversion. The approval of a phased conversion shall specify the number of units which may be converted in each year (which number may not exceed the annual conversion quota for that year), and shall specify that the units approved for conversion in a given year shall have priority for conversion over units in other projects approved for conversion in that year.

B. **PROCESSING OF APPLICATIONS.** Applications shall be processed in accordance with procedures established by resolution of the City Council setting forth the manner and method of prioritizing applications for conversions.

C. EXCEPTIONS.

1. This section shall not be applicable to:
 - a. A project consisting of four (4) or less units.
 - b. A project as to which the tenants of more than fifty percent (50%) of the rental units have made a commitment to purchase their units.
 - c. A project involving conversions for a non or limited equity cooperative or condominium for low-to-moderate income residents.
 - d. A project involving the conversion of dwelling units which, at the time the application for condominium conversion was filed, were legally rented as hotel units.
 - e. A project involving conversions in which not less than 75% of the dwelling units are subject to the City's standard affordability controls. (Ord. 4716, 1991; Ord. 4606, 1989; Ord. 4199, 1983; Ord. 4014 §1, 1979; Ord. 4000 §2, 1979.)

STANDARDS AND PROCEDURES FOR PROCESSING APPLICATIONS FOR CONDOMINIUM CONVERSION PERMITS

**City of Santa Barbara
Community Development Department
August 1991**

A. Authority. The following standards and procedures are authorized by Section 28.88.130 of the Santa Barbara Municipal Code.

B. Application. An application to convert an apartment to a condominium, stock cooperative or community apartment may be filed with the Community Development Department no earlier than January 2 and no later than March 30 each year. An application shall not be deemed "filed" unless it is complete for all purposes. The Community Development Director is authorized to deem an application "complete" notwithstanding minor deficiencies.

C. Evaluation. As soon as possible after March 30, each application will be evaluated utilizing the evaluation system set forth in Attachment A. The results of that evaluation shall be set forth in a report to the Planning Commission; the report shall place each project in a rank order list according to the results of the point system evaluation. The Planning Commission may approve the report as presented or modify and thereafter approve it. The evaluation system set forth in Attachment A shall be used as a guide for analyzing the merits of proposed condominium conversion projects even when the number of units in projects which submit applications during the application period totals less than fifty (50) units.

D. Allocation. Following approval of the point evaluation report by the Planning commission, the Commission shall allocate the available conversions to the projects in the report according to the rank ordering. The allocation shall, insofar as practicable, occur at the same meeting as consideration of approval of the tentative subdivision map for the project.

E. Partial Allocation; Carryover. If a project is granted a partial allocation because it proposes for conversion a number of units in excess of the number allocated to that project, the balance of the units in that project shall be the first ranked units in the subsequent calendar year and the project shall not be subject to reevaluation. No provision of the ordinance or of these procedures shall be construed to guarantee that any such units carried forward to a subsequent year will be granted a conversion allocation in that year, inasmuch as there may be no allocation of conversions in that year due to lack of construction of rental units.

F. Projects Receiving No Allocation. Any project which fails to receive any conversion allocation in a given year shall be denied by the Planning Commission, without prejudice to reapplication in a subsequent year. Upon reapplication, the project shall again be subject to evaluation utilizing the point system.

G. Phased Projects. In order to allow opportunities for more than one project to be processed each year, projects involving more than twenty-five (25) units shall be phased such that no more than twenty-five (25) units shall be made available for sale in any year. Up to twenty-five (25) units shall be subtracted from the fifty units available annually for conversion until all of the project's units are accounted for. The Tentative Subdivision Map for the entire project would be approved at the time the project is approved for conversion of the initial twenty-five (25) units. The project would be conditioned to phase the conversion of the remaining units.

H. Tenant Notification of Project Approval. Sub-section 28.88.100.C of the Condominium Conversion Ordinance requires that all project tenants be notified of the project's approval within fifteen (15) days of the approval. If an appeal is filed on the Planning Commission's approval, notification will not be required until fifteen (15) days after approval of the project by the City Council. Prior to release of the notice, the contents shall be reviewed and approved by the Community Development Director or designee. The notice to the tenants shall include but not be limited to the following information:

1. A description of all proposed physical improvements to the project.
2. An explanation of all tenant protection provisions including, but not limited to, relocation provisions, notice required prior to vacation of the unit, and rental restrictions.
3. A preliminary schedule for construction and probable timing of any required tenant relocation.
4. An explanation of any and all provisions for tenant purchase of their unit or an equivalent one within the project.
5. Any other provisions contained in either the applicant's proposal or the conditions of approval that will potentially impact the tenants.